

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6953

BILL NUMBER: HB 1197

NOTE PREPARED: Feb 19, 2008

BILL AMENDED: Feb 12, 2008

SUBJECT: Data Breaches.

FIRST AUTHOR: Rep. Pierce

FIRST SPONSOR: Sen. Hershman

BILL STATUS: 2nd Reading - 2nd House

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill authorizes the Attorney General to initiate a program to educate consumers of risks posed by a security breach. The bill provides, for purposes of the law requiring the disclosure of a breach of the security of a system, that the unauthorized acquisition of a portable electronic device on which personal information is stored does not constitute a breach of the security of a system if the contents of the portable electronic device are encrypted and if the encryption key is not compromised.

Effective Date: July 1, 2008.

Explanation of State Expenditures: (Revised) This bill could possibly increase administrative costs for the Attorney General (AG). The bill authorizes the AG to initiate a program to educate consumers of risks posed by a security breach. The amount of any increase is indeterminable and will ultimately depend upon the administrative actions of the AG in deciding to implement the consumer education program for security breaches allowed under the bill.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Attorney General.

Local Agencies Affected:

Information Sources:

Fiscal Analyst: Adam Brown, 317-232-9854.